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NATURAL RESOURCES

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS, AND MINING

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Director

February 9, 1981

Ms. Catherine V. Chachas
Northwest Carbon Corporation
P.O. Box 1526
Salt Lake City, Utah 84110

Re: Notice of Intention to
Commence Coal Exploration
Emery County, Utah
CEP/015/002

Dear Mr. Chachas:

Thank you for your February 6, 1981 letter regarding Northwest Carbon Corporation's proposed coal exploration operations in Emery County, Utah. The plan meets the requirements of Parts 776 and 815 of the Regulations promulgated under the 1979 Act, "Regulation of Coal Mining and Reclamation Operations", Title 40-10-1 et seq., Utah Code Annotated, 1953. The Division hereby issues approval for the exploration operations as described in the exploration plans.

The Division requires no additional information at the present time. Upon completion of the exploration operations the Division will require notification of completion and a description of the plugging and reclamation activities which have taken place for each site.

Thank you for your cooperation. If any questions should arise please call me.

Sincerely,

D. WAYNE HEDBERG
RECLAMATION HYDROLOGIST

DWH/te

RECEIVED
FEB 12 1981

NORTHWEST CARBON CORP.

NORTHWEST CARBON CORPORATION

315 EAST 200 SOUTH
P.O. BOX 1526
SALT LAKE CITY UTAH 84110
801 534 3500

February 4, 1981

Mr. James W. Smith, Jr.
Coordinator
Mined Land Development
Division of Oil, Gas, and Mining
State of Utah
1588 West North Temple
Salt Lake City, Utah 84116

Dear Jim:

As we discussed over the telephone last week, Northwest Carbon proposes to drill two exploratory holes in Trail Canyon, Township 16S, Range 7E, Section 15, to determine coal thickness.

Both surface and fee coal are fee owned. Hole T6 will be about 200' to 300' deep while hole T7 will be approximately 400' to 500' deep. The width will be 3 7/8". The exact location of the holes will be governed by physical constraints.

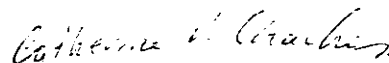
We would like to begin drilling on February 7, 1981, since our driller is available and in the vicinity.

I apologize for not submitting this information earlier but the decision of locating the holes was made today.

Your earliest response will be appreciated.

I will be in Denver on February 5th and 6th. Please leave a message with Barbara Odland (534-3470) if you foresee any problems with beginning drilling Saturday.

Sincerely,



Catherine V. Chachas
Environmental Engineer

CVC/bno